

From: michael@resourcerealty.com [mailto:michael@resourcerealty.com]  
Sent: Saturday, October 22, 2005 11:37 AM  
To: ATR-Real Estate Workshop  
Subject: Real estate workshop

To whom it may concern,

I am extremely concerned about the existing bubbles and proposals for the real estate industry. As an independent broker I am aware of the competitive nature of our business. In my area there are numerous advertisements for discount brokers and these numbers have grown as the licensee population has skyrocketed. The barriers for entry into our market are extremely low and this competition provides for a variety of service at very low cost levels. I whole heartedly support discounted commissions. The real problems in real estate have nothing to do with commission levels.

I do not feel that allowing the banking industry into the real estate market will proliferate the discounts nor improve service. If the banks are allowed to enter the sales side of real estate; you could see a further eroding of lending standards in our industry as the banks continue to shove square pegs into round holes. If anything too much competition is the issue. After coming off of record level refinances and purchases; the banking industry has become too competitive. New, extremely risky programs have been created to gain market share.

The problems in real estate have nothing to do with competition nor the multiple listing services. The D.O.J. and F.T.C. should address the real concerns in the real estate market. I know this may not be your responsibility, but the regulators who are responsible are dropping the ball.

1)Terrible lending guidelines and products; especially the neg-am/option arm loans. Stated income documentation, 100% financing and other programs will collapse our banking industry. These loans should be stopped immediately. These loans are falsely comforting home buyers into buying homes they truly can not afford.

2)As prices have greatly appreciated due to the issues above payments are no longer affordable. Many homebuyers have been borrowing just to keep up. This problem is growing exponentially. Now just the talks about reducing interest deductions and property tax write offs will devastate home prices and our economy.

Best wishes,

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